

By: Walle

H.B. No. 3222

A BILL TO BE ENTITLED

AN ACT

relating to the priority of a transferred ad valorem tax lien.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Sections 32.05(b) and (b-1), Tax Code, are amended to read as follows:

(b) Except as provided by Subsections (b-1) and [Subsection] (c)(1), a tax lien provided by this chapter takes priority over:

(1) the claim of any creditor of a person whose property is encumbered by the lien;

(2) the claim of any holder of a lien on property encumbered by the tax lien, including any lien held by a property owners' association, homeowners' association, condominium unit owners' association, or council of owners of a condominium regime under a restrictive covenant, condominium declaration, master deed, or other similar instrument that secures regular or special maintenance assessments, fees, dues, interest, fines, costs, attorney's fees, or other monetary charges against the property; and

(3) any right of remainder, right or possibility of reverter, or other future interest in, or encumbrance against, the property, whether vested or contingent.

(b-1) The priority given to a tax lien by Subsection (b) prevails, regardless of whether the debt, lien, future interest, or

1 other encumbrance existed before attachment of the tax lien, unless
2 the tax lien is transferred to a transferee. Once a tax lien is
3 transferred, the tax lien is inferior to a debt, lien, future
4 interest, or other encumbrance that existed before the attachment
5 of the tax lien.

6 SECTION 2. Section 32.065(b), Tax Code, is amended to read
7 as follows:

8 (b) Notwithstanding any agreement to the contrary, a
9 contract entered into under Subsection (a) between a transferee and
10 the property owner under Section 32.06 that is secured by a
11 [~~priority~~] lien on the property shall provide for foreclosure in
12 the manner provided by Section 32.06(c) and:

- 13 (1) an event of default;
14 (2) notice of acceleration; and
15 (3) recording of the deed of trust or other instrument
16 securing the contract entered into under Subsection (a) in each
17 county in which the property is located.

18 SECTION 3. The change in law made by this Act applies only
19 to a tax lien transferred on or after the effective date of this
20 Act. A tax lien transferred before the effective date of this Act
21 is governed by the law in effect immediately before the effective
22 date of this Act, and that law is continued in effect for that
23 purpose.

24 SECTION 4. This Act takes effect September 1, 2015.